



Q1 2017 Results



May 30, 2017

*World leader in the international
seaborne transportation of crude oil*

First Quarter 2017

Forward Looking Statements

MATTERS DISCUSSED IN THIS DOCUMENT MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 PROVIDES SAFE HARBOR PROTECTIONS FOR FORWARD-LOOKING STATEMENTS IN ORDER TO ENCOURAGE COMPANIES TO PROVIDE PROSPECTIVE INFORMATION ABOUT THEIR BUSINESS. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING PLANS, OBJECTIVES, GOALS, STRATEGIES, FUTURE EVENTS OR PERFORMANCE, AND UNDERLYING ASSUMPTIONS AND OTHER STATEMENTS, WHICH ARE OTHER THAN STATEMENTS OF HISTORICAL FACTS.

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THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OR A SOLICITATION OF ANY VOTE OR APPROVAL.



Company Highlights

Q1 2017 Highlights

- Achieved net income attributable to the Company adjusted for certain non-cash items of \$27.9 million, or \$0.16 per share, for the first quarter of 2017.
- Acquired two VLCC resales delivering September and October 2017 from DSME, Korea at \$77.5 million net per vessel.
- Signed a senior secured term loan facility in an amount of up to \$321.6 million provided by China Exim Bank and insured by China Export and Credit Insurance Corporation to partially finance eight of our newbuildings.
- Frontline approached DHT in January and February with an all-share proposals to acquire the Company, this was declined by the Board of Directors of DHT

Subsequent Events

- Ordered two VLCC newbuildings delivering December 2018 and April 2019 and obtained options for two additional sister vessels delivering August and November 2019 from HHI, Korea at \$79.8 million per vessel.
- Declares a cash dividend of \$0.15 per share for the first quarter
- Vessel deliveries:
 - LR2: Front Sirius
 - Suezmax: Front Crystal, Front Coral
- Obtained further financing commitment for two senior secured term loan facilities in an aggregate amount of up to \$221.0 million from Credit Suisse and ING to partially finance four of our existing resales / newbuilding contracts.
- On May 17, 2017, Frontline participated in a hearing before the Marshall Islands Court seeking a preliminary injunction against DHT Holdings ("DHT")

Q1 2017 Financial Highlights

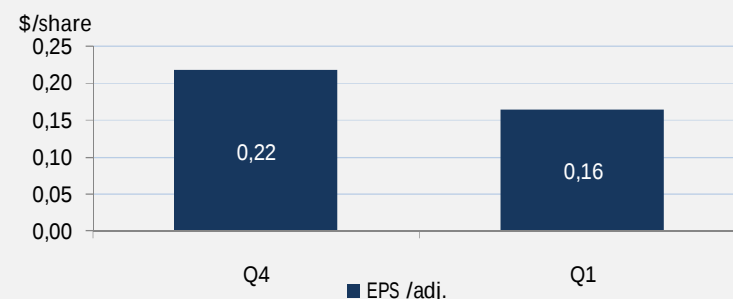
(Million \$ except per share)	2017 Q1	2016 Q4	2016 FY
Total operating revenues (net of voy.expenses)	122	128	593
EBITDA	76	52	319
EBITDA adj	77	83	387
Net income	27	18	117
Net income adj	28	35	189
Impairment loss vessels and cap leases	21	27	62
Impairment loss on marketable securities	-	-	7
Provision for uncollectible receivables	-	4	4
Gain/Loss on cancellation and sale of assets	-21	-	3
Gain/loss on derivatives	-	-15	-4
Earnings per share	0,16	0,12	0,75
Earnings per share (adjusted)	0,16	0,22	1,20
Interest bearing debt	1 153	982	
Cash	128	203	
Cash dividend per share declared	0,15	0,15	0,85

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization

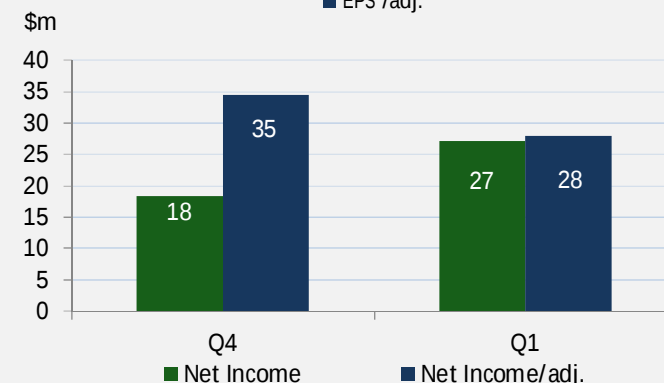
EBITDA adj: Excl. impairment charges on vessels and cap leases, loss/gain on cancellation and sale of NB contracts and vessels and provision for uncollectible receivable

Net income adj: Excl. impairment charges on marketable securities, vessels and cap leases, loss/gain on cancellation and sale of NB contracts and vessels, gain/loss on derivatives and provision for uncollectible receivable

Earnings Per Share (1)



Net Income



(1) Based on 158,720,909/169,809,324 weighted average shares outstanding for Q4'16/Q1'17 respectively

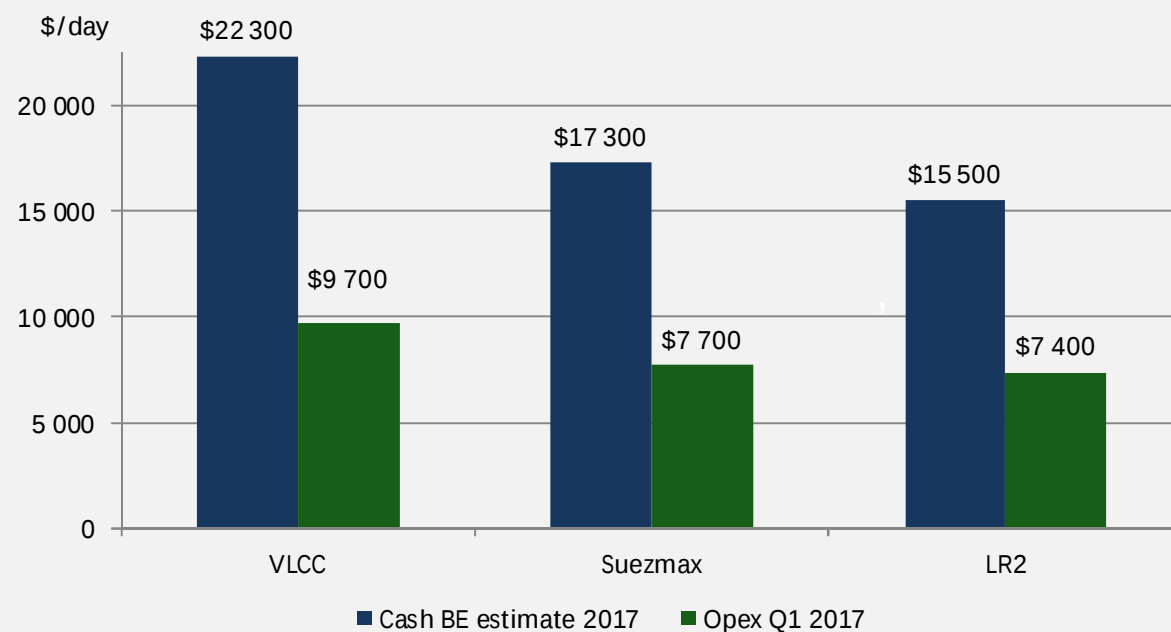
Income Statement

(in thousands of \$)	2017 Jan - Mar	2016 Oct - Dec	2016 Jan-Dec
Total operating revenues	177 127	178 290	754 306
(Loss) gain on cancellation and sale of newbuilding contracts and vessels	20 565	(12)	(2 683)
Voyage expenses and commission	55 184	50 143	161 641
Contingent rental income	(3 769)	(7 201)	(18 621)
Ship operating expenses	30 624	26 759	119 515
Charter hire expenses	9 773	16 453	67 846
Impairment loss on vessels and vessels under capital lease	21 247	27 274	61 692
Provision for uncollectible receivable	-	4 000	4 000
Administrative expenses	8 568	8 726	37 026
Depreciation	35 280	34 290	141 043
Total operating expenses	156 907	160 444	574 142
Net operating income	40 785	17 834	177 481
Interest income	126	108	367
Interest expense	(15 024)	(14 197)	(56 687)
Impairment loss on shares	-	-	(7 233)
Gain on sale of shares	771	-	-
Foreign currency exchange gain (loss)	77	(143)	9
Gain (loss) on derivatives	(178)	15 082	3 718
Other non-operating items	554	(52)	204
Net income before income taxes and non-controlling interest	27 111	18 632	117 858
Income tax expense	(30)	(168)	(345)
Net income	27 081	18 464	117 514
Net (income) loss attributable to non-controlling interest	(61)	(144)	(504)
Net income attributable to the Company	27 020	18 320	117 010

Balance Sheet

<i>(in \$ million)</i>	2017 Mar 31	2016 Dec 31
Cash	128	202
Restricted cash	1	1
Other Current assets	220	181
Long term assets:		
Newbuildings	279	308
Vessels	2 264	2 014
Goodwill	225	225
Other long term assets	33	35
Total assets	3 150	2 966
Current liabilities	231	183
Long term debt	1 075	915
Obligations under capital lease	333	366
Other long term liabilities	3	3
Noncontrolling interest	-	-
Frontline Ltd. stockholders' equity	1 508	1 500
Total liabilities and stockholders' equity	3 150	2 966

Cash Breakeven Rates and Opex

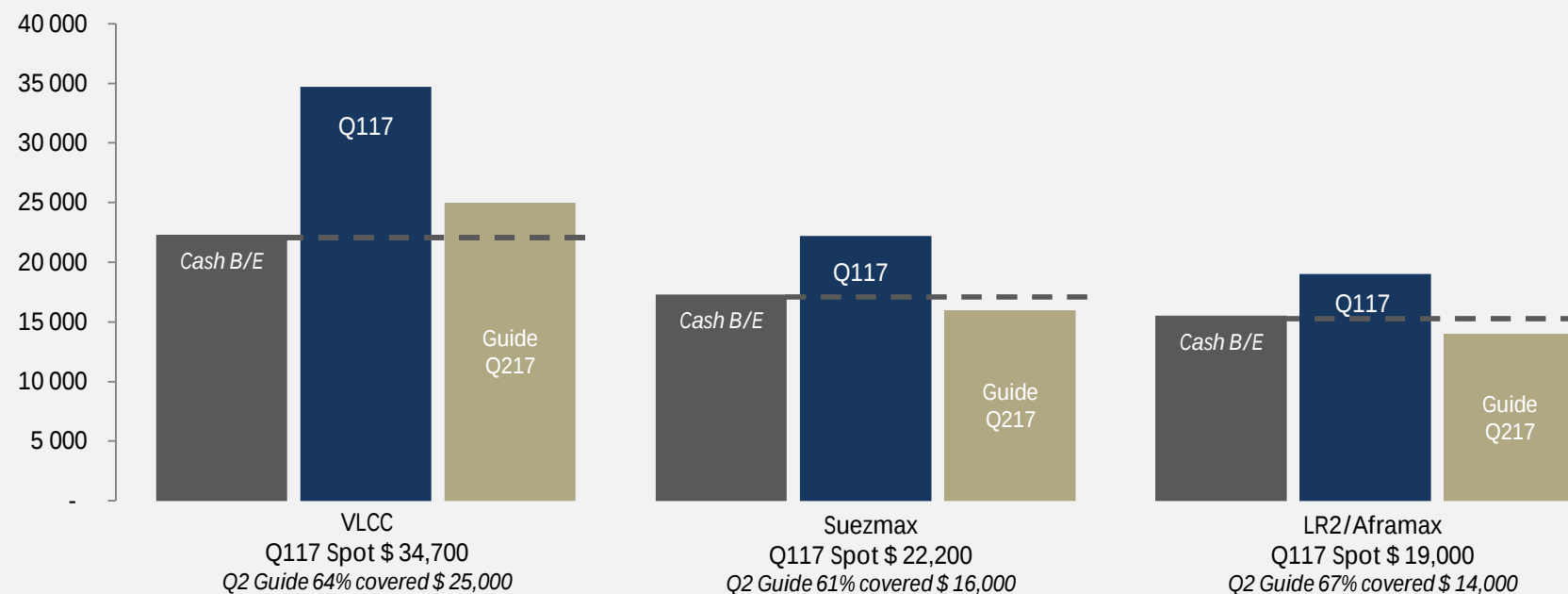


Estimated cash cost breakeven rates for the remainder of 2017 includes bareboat hire / installments, interest loans, opex/drydock and G&A expenses.

First Quarter 2017

Q1 Performance and Q2 Guidance

Q2 2017 Guidance - Daily TCE rates (USD/Day)



(1) Estimated cash cost breakeven rates for the remainder of 2017 includes bareboat hire / installments, interest loans, opex/drydock and G&A expenses.

Current Market

Deliveries pressure the market

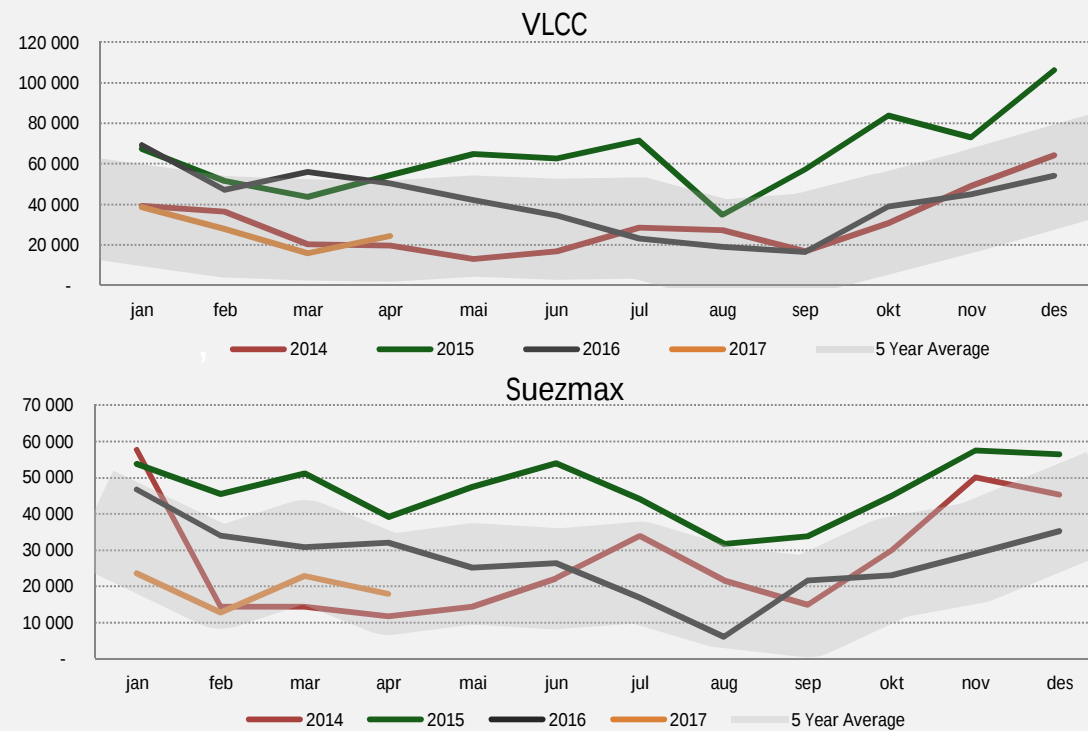
- High pace of deliveries in Q1 put pressure on the market
- Overall freight demand remained robust
- Vessel deliveries will continue to weigh on the market in 2017, but the pace has slowed

Crude oil demand remains strong

- IEA forecast strong demand growth in 2H17, totaling +1.3 mb/d for 2017
- Chinese oil demand continue to see solid growth, Q117 being the strongest quarter on record

OPEC

- Production cuts recently extended until March 2018
- Despite headline risk, the market is well supplied
- Middle East volumes affected, supports Atlantic basin supply, US crude exports seen at record levels



Source : Clarksons Research

Crude Tanker Orderbook

Pace of newbuilding deliveries slowing

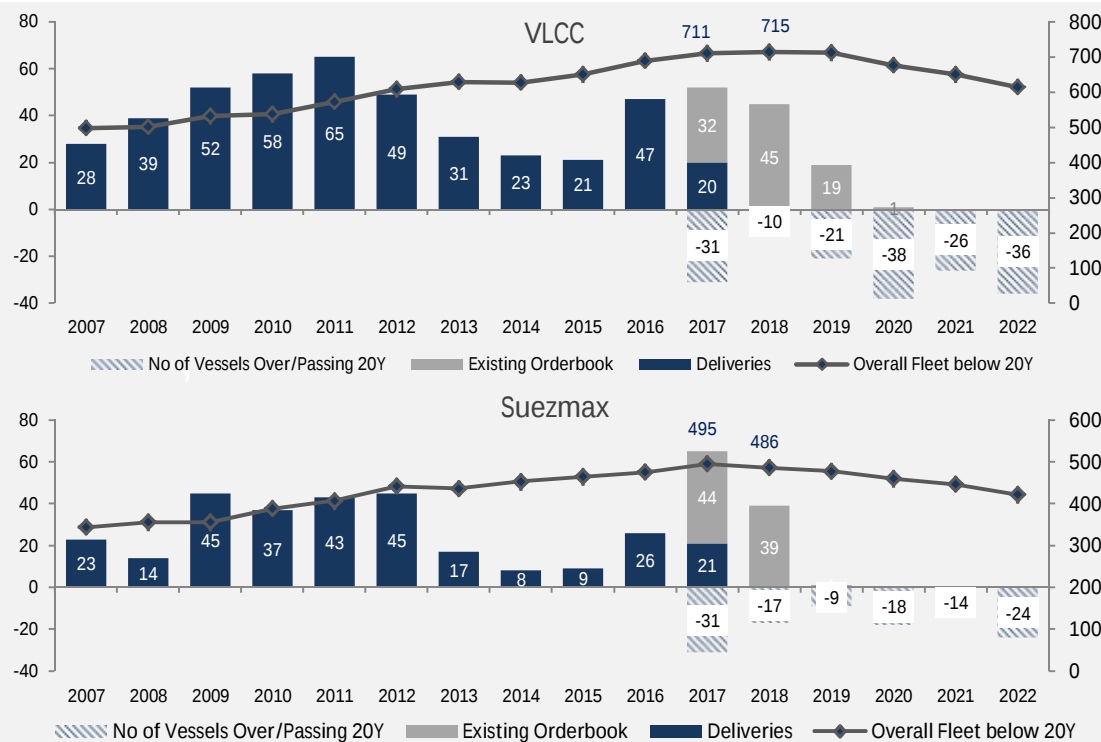
- 20 VLCC and 21 Suezmaxes has delivered in the first four months of the year
- Middle East rates in particular being affected

Older vessels leaving the fleet

- 2 Suezmaxes and 2 VLCC's scrapped to date
- Activity in S/P market for old tonnage destined to conversion/storage high

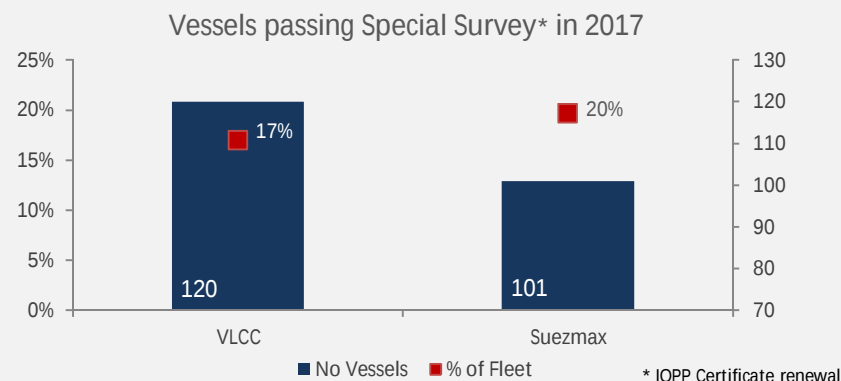
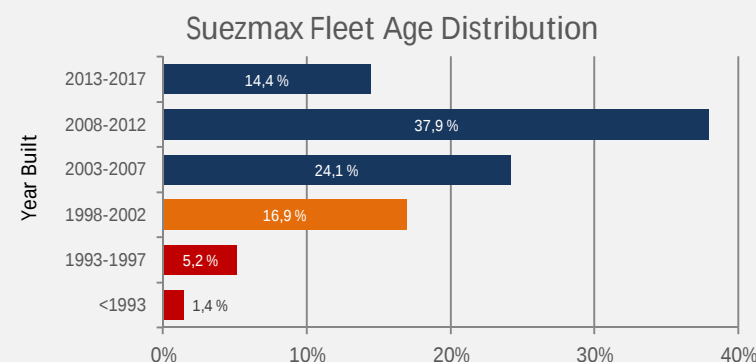
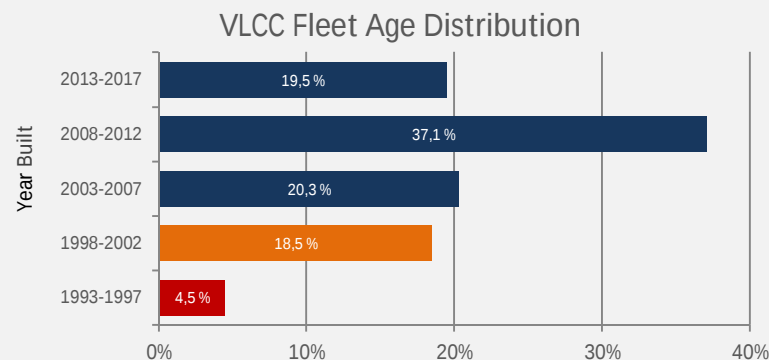
High dry-docking activity

- Ballast Water Treatment regulations push owners in to dry-dock prior to Sep 17
- Vessels returning to market after dry-dock adding to the current market headwinds



Source: Fearnleys May-17

Fleet Dissected



IMO Regulations challenge the fleet

- All vessels passing special survey after Sep-17 need to have Ballast Water Treatment Systems (BWTS) in place
- There are exemptions that may allow owners to temporary circumvent / delay regulations, but this limits trading
- The entire fleet needs to address both BWTS AND 2020 sulfur restrictions over the next 2-3 years

Source: Fearnleys May-17

First Quarter 2017

Summary

- ➡ Competitive and efficient operation
- ➡ Positive long term view
- ➡ Opportunistic approach
- ➡ Unique position
- ➡ Commercial scale and low cost



First Quarter 2017

Q&A

